

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
Standard Notes to the Financial Statements
June 30, 2004

1. Summary of Significant Accounting Policies

REPORTING ENTITY

The institution is a part of the State University and Community College System of Tennessee (Tennessee Board of Regents). This system is a component unit of the State of Tennessee because the state appoints a majority of the system's governing body and provides financial support; the system is discretely presented in the Tennessee Comprehensive Annual Financial Report.

BASIS OF PRESENTATION

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This was followed in November 1999 by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* and in May 2002 by GASB Statement No 39, *Determining Whether Certain Organizations are Component Units*. The financial statement presentation required by GASB No. 34, No. 35 and No. 39 provides a comprehensive, entity-wide perspective of the institution's, including component units, assets, liabilities, net assets, revenues, expenses, changes in net assets, cash flows.

BASIS OF ACCOUNTING

For financial statement purposes, the institution is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant interfund transactions have been eliminated.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). The institution has the option of following private-sector guidance issued subsequent to November 30, 1989, subject to the above limitation. The institution has elected not to follow private-sector guidance issued subsequent to November 30, 1989.

Amounts reported as operating revenues include: 1) tuition and fees, net of waivers and discounts, 2) federal, state, local and private grants and contracts, 3) sales and services of auxiliary enterprises, and 4) other sources of revenue. Operating expenses for the institution include: 1) salaries and wages, 2) employee benefits, 3) scholarships and fellowships, 4) depreciation, and 5) utilities, supplies, and other services.

All other activity is nonoperating in nature. This activity includes: 1) state appropriations for operations, 2) investment income, 3) bond issuance costs, 4) interest on capital asset-related debt, and 5) gifts.

When both restricted and unrestricted resources are available for use, generally it is the institution's policy to use the restricted resources first.

COMPENSATED ABSENCES

The institution's employees accrue annual leave at varying rates, depending upon length of service or classification. Some employees also earn compensatory time. The amount of these liabilities and their related benefits are reported in the Statement of Net Assets.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and library holdings, are reported in the Statement of Net Assets at historical cost or at fair value at date of donation, less accumulated depreciation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' useful lives are not capitalized.

A capitalization threshold of \$100,000 is used for buildings, and \$50,000 is used for infrastructure. Equipment is capitalized when the unit acquisition cost is \$5,000 or greater. The capitalization threshold for additions and improvements to buildings and land is set at \$50,000.

These assets, with the exception of land, are depreciated using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years.

LWIA EQUIPMENT

Under a contract with the Tennessee Department of Labor and Workforce Development, the institution is the administrative entity and grant recipient for the Local Workforce Investment Area in workforce investment area Numbers 8 and 9 of the State of Tennessee. The title to all the equipment purchased by Nashville State Technical Community College under the provisions of the Workforce Investment Act resides with the U.S. Government. Therefore, this equipment is not included in Nashville State Technical Community College capital assets.

NET ASSETS

The institution's net assets are classified as follows:

INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT: This represents the institution's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

RESTRICTED NET ASSETS – NONEXPENDABLE: Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may be expendable or added to principal.

RESTRICTED NET ASSETS – EXPENDABLE: Restricted expendable net assets include resources in which the institution is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

UNRESTRICTED NET ASSETS: Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the institution, and may be used at the discretion of the institution to meet current expenses for any purpose. The auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff.

SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discount and allowances in the statement of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the institution, and the amount that is paid by the student and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the institution's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the institution has recorded a scholarship discount and allowance.

2. Independent Audit

The financial statements for the year ended June 30, 2004 are unaudited. The most recent audit covered the year(s) ended June 30, 2000 and June 30, 2001 for which an audit report has been issued. The institution received an unqualified opinion in the audit report for the year ended June 30, 2001. There is an audit in progress for the years ended June 30, 2002 and June 30, 2003.

3. Cash and Cash Equivalents

In addition to demand deposits and petty cash on hand, this classification includes instruments which are readily convertible to known amounts of cash and which have original maturities of three months or less. At June 30, 2004, cash and cash equivalents consists of \$760,886.95 in bank accounts, \$1,500 of petty cash on hand, \$16,039,791.47 in the State of Tennessee Local Government Investment Pool administered by the State Treasurer.

LGIP Deposits – Capital Projects - Payments related to the institution's capital projects are made by the State of Tennessee's Department of Finance and Administration. The institution's estimated local share of the cost of each project is held in a separate Local Government Investment Pool (LGIP) account. As expenses are incurred, funds are withdrawn from the LGIP account by the Tennessee Board of Regents and transferred to the Department of Finance and Administration. The funds in the account are not available to the institution for any other purpose until the project is completed and the Tennessee Board of Regents releases any remaining funds.

4. Deposits

The institution's bank accounts are in financial institutions that participate in the bank collateral pool administered by the State Treasurer. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

At June 30, 2004, the carrying amount of the institution's deposits was \$760,886.95, and the bank balance including accrued interest was \$1,085,709.45. The bank balance was insured.

In accordance with the laws of the State of Tennessee, commercial banks have pledged securities as collateral for institution funds on deposit. The required collateral accepted as security for deposits shall be collateral whose market value is equal to either one hundred fifteen percent (115%), one hundred percent (100%), or ninety percent (90%) of the uninsured deposits. The pledge level is based on financial criteria set by the Collateral Pool Board with the financially strongest institutions being eligible for the lowest pledge level.

The institution also has deposits in the Local Government Investment Pool (LGIP) administered by the State Treasurer. The LGIP is part of the Pooled Investment Fund. The Pooled Investment Fund's investment policy and custodial credit risk are presented in the Tennessee Comprehensive Annual Financial Report. That report may be obtained by writing to the Tennessee Department of Finance and Administration, Division of Accounts, 14th Floor William R. Snodgrass Tennessee Tower, 312 Eighth Avenue North, Nashville, Tennessee 37242-0298, or by calling (615) 741-2140.

5. Investments

The institution is authorized by statute to invest funds in accordance with Tennessee Board of Regents policies. Under the current policy, funds other than endowments may be invested only in obligations of the United States or its agencies which are backed by the full faith and credit of the United States, repurchase agreements for United States securities, certificates of deposit in banks and savings and loan associations, banker's acceptances, commercial paper, money market mutual funds and the State of Tennessee Local Government Investment Pool. The policy requires that investments of endowments in equity securities be limited to funds from private gifts or other sources external to the institution and that endowment investments be prudently diversified. The Nashville State Technical Community College Foundation is authorized to invest funds in accordance with its board of directors' policies.

All investments permitted to be reported at fair value under GASB Statement 31 are reported at fair value, including those with a maturity date of one year or less at the time of purchase. Certificates of deposit have been included with other deposits in Note 4 to determine the adequacy of collateral security pledged.

The foundation's investments are categorized below to give an indication of the level of risk assumed by the foundation at year-end. Category 1 consists of investments that are insured or registered or for which the institution or its agent in the institution's name holds the securities. Category 2 consists of uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the institution's name. Category 3 consists of uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the institution's name

	<u>Carrying Amount</u>	<u>Fair Value</u>
Investments not susceptible to credit risk categorization:		
Mutual Funds-Pershing	\$61,340.34	\$61,340.34
Total Investments per Statement of Net Assets	\$61,340.34	\$61,340.34

6. Accounts, Notes, and Grants Receivable

Accounts receivable included the following at June 30, 2004:

Student accounts receivable	\$701,987.66
Grants receivable	529,638.13
State appropriation receivable	45,400.00
Other receivables	<u>62,236.31</u>
Subtotal	\$1,339,262.10
Less allowance for doubtful accounts	(79,000.00)
Total	<u>\$1,260,262.10</u>

7. Capital Assets

Capital asset activity for the year ended June 30, 2004, was as follows:

	<u>Beg Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Reductions</u>	<u>End Balance</u>
Land	\$ 1,340,140.00				\$ 1,340,140.00
Land imp. & Infrastr.	1,131,290.10	\$339,512.86			1,470,802.96
Buildings	21,069,601.86				21,069,601.86
Equipment	2,643,613.88	212,813.84		\$131,214.73	2,725,212.99
Library holdings	693,583.00	80,308.56		78,135.68	695,755.88
Total	\$26,878,228.84	\$632,635.26		\$209,350.41	\$27,301,513.69
Less accum dep:					
Land imp. & Infrastr.	\$ 566,750.35	\$ 69,324.23			\$ 636,074.58
Buildings	7,836,052.41	587,690.70			8,423,743.11
Equipment	2,091,064.91	147,709.85		\$131,214.73	2,107,560.03
Library holdings	366,953.25	77,389.16		78,135.68	366,206.73
Total accum dep	\$10,860,820.92	\$882,113.94		\$209,350.41	\$11,533,584.45
Capital assets, net	\$16,017,407.92	(\$249,478.68)			\$15,767,929.24

8. Long-term Liabilities

Long term liability activity for the year ended June 30, 2004, was as follows:

	<u>Beg Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>End Balance</u>	<u>Current Portion</u>
Payables:					
Bonds		\$81,947.93		\$81,947.93	\$8,600.43
Subtotal		\$81,947.93		\$81,947.93	\$8,600.43
Other Liabilities					
Comp Absences	\$638,899.37	\$503,475.08	\$508,457.20	\$633,917.25	\$456,835.47
Subtotal	\$638,899.37	\$503,475.08	\$508,457.20	\$633,917.25	\$456,835.47
Total long-term liabilities	\$638,899.37	\$585,423.01	\$508,457.20	\$715,865.18	\$465,435.90

Bonds Payable

Bond issues, with interest rates ranging from 4.5% to 5% for Tennessee State School Bond Authority bonds, are due serially to May 1, 2012 and are secured by pledges of the facilities' revenues to which they relate and certain other revenues and fees of the university, including state appropriations. The bonded indebtedness with the Tennessee State School Bond Authority reported on the balance sheet is shown net of assets held by the authority in the debt service reserve and net of unexpended loan proceeds.

Debt service requirements to maturity for all bonds payable at June 30, 2004, are as follows:

<u>For the Year(s)</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$8,600.43	\$3,984.72	\$12,585.15
2006	9,004.65	3,597.70	12,602.35
2007	9,450.38	3,169.98	12,620.36
2008	9,894.55	2,744.72	12,639.27
2009	10,409.06	2,250.00	12,659.06
2010 – 2014	34,588.86	3,517.60	38,106.46
Total	\$81,947.93	\$19,264.72	\$101,212.65

9. Endowments

If a donor has not provided specific instructions to the Nashville State Technical Community College, state law permits the college to authorize for expenditure the earnings of the investments of endowment funds. When administering its power to spend these earnings, the university/college is required to consider the college's long-term and short-term needs, present and anticipated financial requirements, expected return on its investments, price-level trends, and general economic conditions. Any earnings spent are required to be spent for the purposes for which the endowment was established.

The college chooses to spend only a portion of the investment income each year. Under the spending plan established by the college, a scholarship award has been authorized for expenditure. The remaining amount, if any, is retained to be used in future years when the amount computed using the spending plan exceeds the investment income. At June 30, 2004, investment income of \$83.81 is available to be spent, of which \$83.81 is restricted to specific purposes.

10. Unrestricted Net Assets

Unrestricted net assets include funds that have been designated or reserved for specific purposes. These purposes include the following:

	<u>FY 2004</u>
Working capital	\$505,474.97
Encumbrances	224,821.08
Auxiliaries	9,000.00
Renewal and replacement of equipment	5,842,210.93
Debt retirement	24,121.70
Unreserved/undesignated balance	<u>3,902,886.12</u>
Total	\$10,508,514.80

11. Pension Plans

Defined Benefit Plan

Plan Description - The institution contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement, death, and disability benefits as well as annual cost-of-living adjustments to plan members and their beneficiaries. Title 8, Chapters 34-37, Tennessee Code Annotated, establishes benefit provisions. State statutes are amended by the Tennessee General Assembly.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or by calling (615) 741-8202, extension 139.

Funding Policy - Plan members are noncontributory. The institution is required to contribute at an actuarially determined rate. The current rate is 7.29% of annual covered payroll. The contribution requirements of the institution are established and may be amended by the TCRS Board of Trustees. The institution's contributions to TCRS for the years ending June 30, 2004, 2003, and 2002 were \$515,155.30, \$518,740.79, and \$446,641.56, respectively, equal to the required contributions for each year.

Defined Contribution Plans

Plan Description - The institution contributes to three defined contribution plans: Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF), Aetna Life Insurance and Annuity Company, and Variable Annuity Life Insurance Company (VALIC). These plans are administered by the Tennessee Department of the Treasury. Each plan provides retirement benefits to faculty and staff who are exempt from the overtime provisions of the Fair Labor Standards Act and who waive membership in the TCRS. Benefits depend solely on amounts contributed to the plan plus investment earnings. Plan provisions are established by state statute in Title 8, Chapter 35, Part 4, Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly.

Funding Policy - Plan members are noncontributory. The institution contributes an amount equal to 10% of the employee's base salary up to the social security wage base and 11% above the social security wage base. Contribution requirements are established and amended by state statute. The contribution made by the institution to the plans for the year ended June 30, 2004, was \$ 513,194.10 and for the year ended June 30, 2003, was \$485,435.29. Contributions met the requirements for each year.

12. Other Post-Employment Benefits

The State of Tennessee administers a group health insurance program that provides post-employment health insurance benefits to eligible institution retirees. This benefit is provided by and administered by the State of Tennessee. The institution assumes no liability for retiree health care programs. Information related to this plan is available at the statewide level in the Tennessee Comprehensive Annual Financial Report. That report may be obtained by writing to the Tennessee Department of Finance and Administration, Division of Accounts, 14th Floor William R. Snodgrass Tennessee Tower, 312 Eighth Avenue North, Nashville, Tennessee 37243-0298, or by calling (615) 741-2140.

13. Insurance-Related Activities

The state purchases commercial insurance for real property, flood, earthquake, and builder's risk losses and surety bond coverage on the state's officials and employees. The insurance policy deductibles vary from \$1 million to \$5 million by type of risk coverage. A designation of \$5 million for incurred losses has been established in the state's general fund. In FY 2003, the state incurred 13 property claims which exceeded the per occurrence deductible. The gross amount of claims for the period was approximately \$7.2 million, of which the state's property insurance carrier will ultimately assume approximately \$2.2 million.

At June 30, 2004, the scheduled coverage was \$32,550,300 for buildings and \$17,463,500 for contents.

The state has set aside assets for claim settlement in an internal service fund, the Claims Award Fund. This fund services all claims for risk of loss to which the state is exposed, including general liability, automobile liability, professional malpractice, and workers' compensation. The institution participates in the Claims Award Fund. The fund allocates the cost of providing claims servicing and claims payment by charging a premium to the institution based on a percentage of the institution's expected loss costs, which include both experience and exposures. This charge considers recent trends in actual claims experience of the state as a whole. An actuarial valuation is performed as of fiscal year-end to determine the fund liability and premium allocation. The institution is subject to the liability limitations under the provisions of the Tennessee Claims Commission Act, Tennessee Code Annotated 9-8-101 et seq. Liability for the negligence of the institution for bodily injury and property damage is limited to \$300,000 per person and \$1,000,000 per occurrence. The limits of liability under workers' compensation are set forth in Tennessee Code Annotated 50-6-101 et seq. Claims are paid through the State's Claims Award Fund.

The state has also set aside assets in the Employee Group Insurance Fund, an internal service fund, to provide a program of health insurance coverage for the employees of the state with the risk retained by the state. The institution participates in the Employee Group Insurance Fund. The fund allocates the cost of providing claims servicing and claims payment by charging a premium to the institution based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Employees and providers have 13 months to file medical claims.

14. Commitments and Contingencies

Sick Leave - The institution records the cost of sick leave when paid. Generally, since sick leave (earned one day per month with unlimited accumulation) is paid only when an employee dies or is absent because of illness, injury, or related family death, there is no liability for sick leave at June 30. The dollar amount of unused sick leave was \$4,522,447.65 at June 30, 2004.

Operating Leases - The institution has entered into various operating leases for buildings and equipment. Such leases will probably continue to be required. Expenses under operating leases for personal property was \$59,053.98 for the year ended June 30, 2004. The comparative amount for personal property for the year ended June 30, 2003 was \$56,585.04. The following is a schedule by years of future minimum rental payments required under noncancelable operating leases that have initial or remaining lease terms in excess of one year as of June 30, 2004:

Year ending June 30:	
2005	\$96.00

Construction in Progress - At June 30, 2004, outstanding commitments under construction contracts totaled \$65,211.49 for capital improvements of which \$65,211.49 will be funded by future state capital outlay appropriations.

Litigation - The institution was involved in two lawsuits, none of which are expected to have a material effect on the accompanying financial statements. One of these lawsuits was dismissed in January 2004.

15. Natural Classifications with Functional Classifications

The institution's operating expenses by functional classification for the year ended June 30, 2004, are as follows:

<u>Functional Classification</u>	<u>Natural Classification</u>					<u>Total</u>
	<u>Salaries</u>	<u>Benefits</u>	<u>Other Operating</u>	<u>Scholarship</u>	<u>Depreciation</u>	
Instruction	\$9,024,056.15	\$2,366,495.01	\$2,688,495.46	\$191,035.02		\$14,270,081.64
Public Service	415,784.18	106,715.42	205,978.89			728,478.49
Academic Support	2,386,010.48	563,134.06	380,826.39	23,563.50		3,353,534.43
Stud Services	1,069,080.29	376,851.64	480,155.21	26,887.00		1,952,974.14
Instit Support	1,681,491.58	526,279.63	477,324.30	14,880.79		2,699,976.30
M&O	499,752.65	158,701.38	1,401,690.23			2,060,144.26
Scholar & Fellow			126,548.49	1,375,068.25		1,501,616.74
Auxiliary			2,681.68			2,681.68
Depreciation					\$882,113.94	882,113.94
Total Expenses	\$15,076,175.33	\$4,098,177.14	\$5,763,700.65	\$1,631,434.56	\$882,113.94	\$27,451,601.62

16. Prior Period Adjustment(s)

INVESTMENT IN PLANT \$34,731.94 Boiler Capitalization Infrastructure correction

17. Restatement of Prior Year Balances

In prior years, the institution included foundation accounts receivable and accounts payable in the agency fund and reported them on the statement of net assets. The following FY 2003 amounts have been restated to remove accounts receivable and accounts payable amounts. Non-governmental Grants and Contracts and Gifts on the Statement of Revenues, Expenses, and Changes in Net Assets and Grants and Contracts and Gifts on the Statement of Cash Flows have been restated to record component unit gifts.

	<u>Original Amount</u>	<u>Restated Amount</u>
<u>Statement of Net Assets:</u>		
Accounts Receivable	\$1,261,175.61	\$1,243,248.61
Accounts Payable	604,347.39	\$577,096.64
Deposits Held in Custody for Others	324,217.35	333,541.10
<u>Statement of Revenues, Expenses, and Changes in Net Assets:</u>		
Non-governmental Grants and Contracts	\$537,621.48	\$505,299.69
Gifts	94,518.00	126,839.79
<u>Statement of Cash Flows:</u>		
Grants and Contracts	\$7,003,820.44	\$6,971,498.65
Gifts	94,518.00	126,839.79

18. Component Unit(s)

Nashville State Technical Community College Foundation is a legally separate, tax-exempt organization supporting Nashville State Technical Community College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The 32-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

During the year ended June 30, 2004, the Foundation made distributions of \$29,034.71 to or on behalf of the College for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from Debra Bauer, Nashville State Technical Community College, 120 White Bridge Road, Nashville, TN, 37209.

The Foundation is a nonprofit organization that reports under FASB standards, including FASB Statement No. 117, Financial Reporting for Not-for-Profit Organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to the Foundation's financial information in the College's financial report for these differences.

Deposits with the College – Deposits with the College consists of certain assets of the Foundation that are held and managed by the College for the Foundation. These assets include \$365,212.33 in cash and cash equivalents, \$61,340.34 in investments, and \$48.16 in accounts, notes, and grants receivable. These assets have been reported by the institution and included in the institution's applicable note disclosures above.

Pledges Receivable - Pledges receivable are summarized below net of the allowance for doubtful accounts:

Current pledges	\$10,370.20
Pledges due in one to five years	<u>10,370.20</u>
Subtotal	10,370.20
Less discounts to net present value	<u>(0.00)</u>
Total pledges receivable, net	\$10,370.20

Unrestricted Net Assets

Unrestricted net assets include funds that have been designated or reserved for specific purposes. These purposes include the following:

	<u>FY 2004</u>
Working capital	\$ 4,346.16
Unreserved/undesignated balance	<u>159,576.75</u>
Total	\$163,922.91